Exhibit 1

Fair, Reasonable and Non-Discriminatory

Some Practical Thoughts About FRAND Licensing Commitments

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Balanced IPR Policies Enable Broad Participation

Favor Users

- Patent holders may decide not to participate; technology not available for standardisation
- Can stifle innovation

Favor Patent Holders

- Standards may not meet users' need
- Standard may not be readily implementable

FRAND policies are one way to strike a balance

But What Is FRAND?

- How do we know what is FRAND?
- What is the value of a FRAND commitment if there is no common understanding of how to identify or measure it?
- Do we need a further mechanism to clarify what FRAND is?

FRAND Generally

- A FRAND licensing commitment provides assurance to the standards body and its community that the patent holder will offer a FRAND license to all implementers

- Traditional FRAND licensing terms typically include:
  - Compensation (but RF or compensation-free is an option)
  - Field of use (or scope of use)
  - Non-sublicensability
  - Reciprocity
  - Defensive suspension
  - Usual contract terms (*e.g.*, choice of law)

- But compensation amounts – and how these terms are articulated – can vary extensively

Is FRAND Too Bland?

- FRAND is a rather fluid concept
  - Pros
    - No one-size-fits-all approach and no blanket rules provides needed flexibility
    - Hard to generalize about what FRAND would be for different scenarios or different “types” of standards
    - Companies look at licensing (whether theirs or others’) on a case-by-case basis depending on the specific technology, the marketplace and their relevant business model
  - Cons
    - Leaves determination of FRAND disputes to the court system
    - Creates possibility of “hold up” if parties delay negotiations
  - Infrequent disputes
    - Is the system working or are people just taking what they are offered
    - Ecosystem considerations

Ex Ante Debate

- Some assert that the *ex ante* disclosure of licensing terms could help ensure that proffered terms were FRAND
  - Avoid the potential of "hold up" by patent holders after-the-fact
- Many companies support the voluntary disclosure of licensing terms *ex ante* because the information in some cases may be helpful, especially if there are two technical equivalents on the table
- But many oppose a mandatory *ex ante* policy approach
  - True "bake-off" between technical equivalents not usual scenario
  - Usually never have complete information about the cost of implementation
  - Licensing issues can slow process
  - **Limited value in that people often are not interested in the terms for just the essential claims**
  - **May reduce other benefits stemming from different business model approaches to licensing**

Licensing in Practice

- Typically an implementer is not interested in a license just for essential claims
- Many companies think about the risks associated with putting their product in the marketplace
  - Patent risk associated with:
    - Essential claims from Standard A
    - Essential claims from Standards B, C, …
    - Non-essential claims related to combinations of multiple standards
    - Non-essential claims that the product infringes as a result of product design
- Many companies also have (or want) a more complicated relationship with the other party
- Therefore many companies want a customized license between the two parties

Ecosystem Considerations

- Impact of different market considerations and different business models
- Companies think about patents in different ways
  - R&D companies likely will want to seek a return on their investment in creating new technologies
  - Product companies
    - Will take into consideration product strategy and market landscape
    - Can act like R&D companies (because they often are that as well)
    - Can decide to use their patents defensively to protect their innovations around core products
    - Can decide to use their patents to expand a market
    - May decide to take a détente approach, making a FRAND commitment
      - Provides for widest range of possible licensing negotiations or even the absence of negotiations
- Services companies

Business Models Impact IPR Position

Components or Products → More incentive to have IPR respected

More incentive for IPR to be more freely available ← **Services or Consulting**

Open Source is not a Business Model

"**Open source is not a business model**. **It is a development and distribution model** that is enabled by a licensing tactic. Vendors that build revenue streams around open source software for the most part do not choose between open source and proprietary development and licensing; **they choose business strategies** that attempt to make the best use of both open source and proprietary development and licensing models in order to maximize their opportunities for generating revenue and profit."

"Customers must ensure that they are aware of vendors' strategies so they can understand and predict the behavior of vendors encouraging them to become paying customers."

The 451 Group Report: Open Source is Not a Business Model
http://451group.com

Microsoft

Conclusion

- FRAND is a fluid concept that permits different players, different technologies and different market factors to be taken into consideration
  - Standardization environment is highly diversified
- FRAND is not perfect and likely can be improved
  - But there are very few disputes compared with the overall number of ICT standards

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